



**U.S. Department of Justice**

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**FOR IMMEDIATE RELEASE**  
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**PRESS RELEASE**

Colm F. Connolly, United States Attorney for the District of Delaware, announced today that the Federal Grand Jury for the District of Delaware has returned an indictment yesterday charging Malcolm G. Howe with two counts of wire fraud. Howe, age 49, of Dover, Delaware operates Elite International Traders, also of Dover.

The charges against Howe allege that between September 27, 2000 and January 26, 2001, he engaged in a scheme to defraud the United States Air Force by fraudulently claiming to have obtained and delivered to the Dover Air Force Base for re-shipment to the Air Force in Kuwait, 20 KIV-7 Embeddable Comsec modules. KIV-7's are computer encryption devices. The indictment alleges that Howe obtained a contract in September 2000 to provide the KIV-7's to the Air Force and then, in January 2001, as proof of delivery, submitted an altered straight bill of lading, as well as an invoice requesting payment. The indictment further alleges that Howe was paid \$152,8590 based on the false documentation, and that, in fact, Howe never purchased or delivered the KIV-7's. If convicted, Howe faces a maximum sentence of 20 years imprisonment, a fine of \$250,000 or both on each count, as well as restitution.

Special Agents of the Defense Criminal Investigative Service as well as the Air Force Office of Special Investigations and Federal Bureau of Investigation participated in the investigation

leading to the indictment returned yesterday. For further information, please contact Assistant United States Ferris W. Wharton at 302-573-6277, ext. 173.

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